

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: February 15, 1996

SUBJECT: **SB 2995 - HB 2930**

This bill, if enacted, will require the Department of Financial Institutions to promulgate rules requiring title pledge lenders to issue to consumers (prior to entering into a title pledge agreement in transactions involving motor vehicles titled by any state) a standardized consumer notification form regarding interest, fees, charges and other costs that would potentially be imposed as a result of such agreement. Further, this bill also sets forth the sanctions to be imposed on pawnbrokers in the event this department finds, after affording the pawnbroker a contested case hearing under the UAPA, that a pawnbroker has failed to make the proper disclosure.

The fiscal impact from enactment of this bill is estimated to be a recurring increase in state expenditures of \$45,500 for one position and related expenses and one-time increase in state expenditures of \$2,000 for equipment.

The fiscal impact from enactment of this bill is estimated to result in an increase in local government expenditures; however, such increase cannot be determined but is estimated to be not significant.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*